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Nominee Discusses Arms Policy

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WASHINGTON, Jan. 13 — Frank C. Carlucci, who has been nominated to be Deputy Secretary of Defense, indicated the possibility today that the Reagan administration might sell military weapons to China.

Mr. Carlucci, who will handle the day-to-day operations of the Defense Department, told the Senate Armed Services Committee that the issue of arms sales to China was "an extremely sensitive question," but that the new Administration would look at each possibility on "a case-by-case basis."

In his confirmation hearing, Mr. Carlucci went beyond statements made Saturday by Alexander M. Haig, Jr., the nominee for Secretary of State. Mr. Haig said in Senate testimony that he saw value in normalizing relations with China but that the process should not "result in a situation that my European friends describe as poking sticks in the polar bear's cage," a reference to Chinese-Soviet hostility.

The Carter Administration, which has begun to sell nonlethal military equipment to China, has adamantly opposed the sale of weapons there.

Correcting an Interpretation

Mr. Carlucci also sought to correct what he said was an erroneous interpretation of testimony last week by Caspar W. Weinberger in his confirmation hearing as Secretary of Defense. Several Senators said they thought that Mr. Weinberger approved a policy that would allow Western European nations to back away from their commitment to increase military spending by 3 percent a year.

Mr. Carlucci said that while Mr. Weinberger did not put much stock in specific percentages, the Secretary-designate felt that "we all need to do more." The 3 percent figure, which Mr. Carlucci said has become symbolic, should be considered a starting point.

At the same time, he cautioned that the United States "can't spend every dollar some people want to spend on defense," an allusion to members of Congress who

advocate a rapid increase in military spending.

Mr. Carlucci, who has been the deputy director of the Central Intelligence Agency in the Carter Administration since February 1978, asserted that "the Soviets would be very ill-advised to trifle with us in the Persian Gulf."

Declines to Support Carter Policy

Like Mr. Weinberger, however, he declined to support President Carter's policy that calls for using military force, if necessary, to protect vital American interests in that region. Mr. Carlucci also said the United States lacked the military strength today to fight a full-scale war against the Soviet Union there.

Despite several sharp questions from the committee, Mr. Carlucci appears certain of confirmation. Some conservative Senators have argued that he should not be confirmed because he lacks experience in the Defense Department and contributed to what they consider to have been a weakening of the C.I.A.

In running the Defense Department, Mr. Carlucci said he expected to have "interchangeable responsibilities" with Mr. Weinberger in the same working relationship they had when Mr. Carlucci was Mr. Weinberger's deputy at the Office of Management and Budget and later at the Department of Health, Education, and Welfare.

More Time for the Draft

On the draft, Mr. Carlucci said that the volunteer army should be given more time to see if it would work. He also said that draft registration, begun by President Carter, should continue and that military conscription might be needed if the volunteer army did not work. President-elect Ronald Reagan has opposed a peacetime draft.

On the issue of developing a new United States capacity for chemical warfare, Mr. Carlucci said: "I think we need to go ahead with that." The Carter Administration has been reluctant to support this, and Congress has been split on the issue.